



Continuing Insurance at Retirement

****Presentation is for general information only. Employees should be directed to contact the Benefits Administration Service Center directly for assistance with any questions regarding eligibility to continue insurance at retirement.**

August 2018

Agenda

- State and Higher Education
 - TCRS
 - ORP
- The Tennessee Plan
- Voluntary Products
- Your role as an ABC
- Annual Enrollment for Retirees

STATE OF TENNESSEE

BENEFITS ADMINISTRATION TRAINING

State and Higher Education Retiree group health eligibility

- Tennessee Consolidated Retirement System (TCRS)
Member
- Optional Retirement Plan (ORP)

Approximately how many retirees are enrolled on the state sponsored group health plan?

12,500 **167932**

16,300 **167962**

10,000 **167979**

Retiree Eligibility Requirements

Group Health Insurance

Variables that impact eligibility to continue group health insurance at retirement include:

- **Creditable service criteria** – rules regarding what service counts towards eligibility and what service will not count. Only creditable service with state, HED or local education agency that **participates** on the state plan may be counted.
- **Years of continuous insurance coverage** on the state plan immediately preceding termination of employment.
- **Date of retirement with TCRS** or if retiree is a higher education **ORP member**, **age** at termination of employment.
- Age of retiree and/or covered dependents (are they under 65 or 26?)
- Was the application submitted timely?

Eligibility

Group Health Insurance

- Service that **does not count** as creditable for **eligibility** purposes:
 - Any military time that did not interrupt employment
 - TCRS service previously cashed out and not paid back
 - Service with a local education agency that does not participate on the state group health plan
 - Local Government service cannot combine with anything, including other Local Government agencies

Eligibility

All Agencies

State, Higher Education and Local Education **certified teacher** retirees have **premium** reduction based on years of service, even if agency does not participate in state insurance plan

EXAMPLE:

Member has 15 years of Shelby County Schools certified teaching service and 15 years with the Department of Education with the State of Tennessee; Premium level is 30+

Eligibility

Group Health Insurance

- Continuation of dependent only group health is only allowed if the retiree is enrolled in Medicare.
- A retiree who is no longer eligible for group health themselves is not eligible to add a dependent to the retiree group health plan via the special enrollment provision.

Eligibility

Group Health Insurance

- Retirees must continue coverage in the same group health plan for themselves and/or eligible dependents upon retirement. They may make changes during Annual Enrollment or if they meet the special qualifying event criteria.
- **Application to Continue Insurance at Retirement** (even if they are applying for the Tennessee Plan- elect coverage in part 4) submitted within one full calendar month after termination of active coverage.

Approximately how many retirees are enrolled on the Tennessee Plan with POMCO?

40,000 **76293**

25,000 **76318**

35,000 **76386**

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BENEFITS ADMINISTRATION TRAINING

Tennessee Plan Eligibility



Tennessee Plan Eligibility

All Agencies

- The Tennessee Plan (POMCO) - Supplemental medical insurance for retirees with Medicare
- Plan is not offered to the general public
- State, Higher Education, Local Education and Local Government retiree receiving monthly **TCRS** pension **based on own service**
- Higher Education retiree who is ORP participant **based on own service**
- Surviving spouse who was enrolled in Tennessee Plan at the time of retiree's death

Tennessee Plan Eligibility

All Agencies

- State, Higher Education and Local Education **certified teacher** retirees have premium reduction based on combined years of service
- All certified **teaching service** counts, not just certified service with participating agencies
- Local Education support staff and Local Government retiree do not get reduction in premium UNLESS agency has passed Medigap Resolution

Tennessee Plan Eligibility

All Agencies

- The Tennessee Plan supplemental medical insurance for retirees with Medicare is only a supplement for Medicare part A and B.
- Applicant must be enrolled in at least Medicare part A.
- It does not cover prescription drugs and will not coordinate benefits if a member has enrolled in a Medicare Advantage plan.

Tennessee Plan Eligibility

All Agencies

- Retiree has 60 days to apply for the Tennessee Plan from date of initial eligibility. Applications outside of 60 day initial eligibility are subject to late enrollment approval.
- Retiree must be enrolled to cover a Medicare entitled spouse.

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BENEFITS ADMINISTRATION TRAINING

Voluntary Products

Retiree Vision Eligibility

All Agencies

- Must be enrolled on the retiree group health plan **AND** retiree must receive a monthly TCRS pension or be a higher education ORP retiree.
- If they do not meet the eligibility for retiree vision, they may continue under COBRA the COBRA provision if they had coverage as an employee.
- COBRA vision premiums CANNOT be processed on retirement record.

Retiree Dental versus COBRA Dental

All Agencies

- Must receive a monthly TCRS pension or be a higher education ORP retiree to enroll in retiree dental plan.
- If they elect dental on the Application to Continue Insurance at Retirement, they will be enrolled in retiree dental.
- If they had dental as an active employee, they have the option to continue their dental under the COBRA provision.

Retiree Dental versus COBRA Dental

All Agencies

- COBRA dental premiums are a little bit less expensive and the retiree can keep COBRA for up to 18 months.
- COBRA dental premiums CAN be processed on retirement record.
- If they wish to exercise COBRA rights, they must complete and return COBRA form.
- A letter is sent if COBRA dental is processed on retiree record notifying member of impending COBRA expiration.

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BENEFITS ADMINISTRATION TRAINING

Your Role as an ABC

ABC's- What you need to know

- Direct employees with questions regarding eligibility and premiums to:
<https://www.tn.gov/partnersforhealth/continuing-insurance-at-retirement.html>.
- Direct employees to contact the **Benefits Administration Service Center** to confirm their eligibility.

ABC's- What you need to know

- Provide employees with the **Application to Continue Insurance at Retirement**.
 - Note- The Tennessee Plan application is only used for members who are already retired.
- Ensure the **Employer Certification** is completed correctly by an authorized Agency Benefit Coordinator.
- Ensure the Application to Continue Insurance at Retirement is uploaded into Zendesk timely, using the Retirement Document Upload function.
- Ensure active insurance is terminated timely.

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BENEFITS ADMINISTRATION TRAINING

Annual Enrollment for Retirees

Annual Enrollment for Retirees (AE)

- AE for retirees will be 10/01/2018 through 10/26/2018.
- Retirees with group health enrollment for themselves and/or dependents will receive a newsletter on available healthcare options, premium data, a list of benefit changes, and vendor changes.
- A retiree CANNOT enroll themselves in group health via AE.

Annual Enrollment for Retirees (AE)

- Enrollments and changes in coverage become effective the following January 1st
- Employees who terminate employment and retire between now and the end of the year must be advised that elections they make via ESS on their ACTIVE insurance record, will not carry over on to their retirement record if their active insurance will terminate prior to 02/01/2019.
- This will be the first year that ESS will be offered to retirees who have some level of group health coverage.

Questions?

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BENEFITS ADMINISTRATION TRAINING

OPEB Trust

What is the OPEB Trust Fund for State and Higher Education Retirees?

- The Tennessee General Assembly authorized a dedicated retiree OPEB (Other Post-Employment Benefits) Trust Fund to provide a secure and stable source of state funding for retiree health care costs in the future.
- The Trust Fund is managed by the F&A commissioner, State Treasurer and chairs of the State Senate and House Finance Committees.
- Starting in January the Trust Fund will pay retiree health claims and a separate fund will pay for active employee claims.

Why are retiree and active health insurance premiums different for 2019?

- Currently the state's portion of the health insurance premium for state and higher education employees includes the amount paid by the state to cover retiree health costs.
- Going forward, the state's funding for retiree premiums will go straight into the Trust, ensuring that funds are available to pay retiree health claims.
- The State Insurance Committee will set retiree premiums based on retiree costs and state funding, which is how the Committee has set all premiums.
- For 2019, retirees' health insurance premiums will increase 3.5%, which is less than this year.
- Representatives in the Benefits Administration service center are happy to speak with retirees. Just call 800.253.9981 Monday-Friday, 8-4:30 CT and choose option 2 for assistance. Or email retirement.insurance@tn.gov

Why is there a decrease in active employee insurance premiums for 2019?

- In the past, what the state paid toward retiree costs was included in the 80% share that the state paid toward the active employee premium.
- Going forward, the state portion of retiree costs will be separated from the active premium and deposited into the retiree Trust Fund. These funds, plus new state dollars already appropriated, will go into the Trust to pay current and future retiree health costs.
- Taking the state's portion of retiree costs out of the active premium reduced the active employee premium for 2019.

Questions?